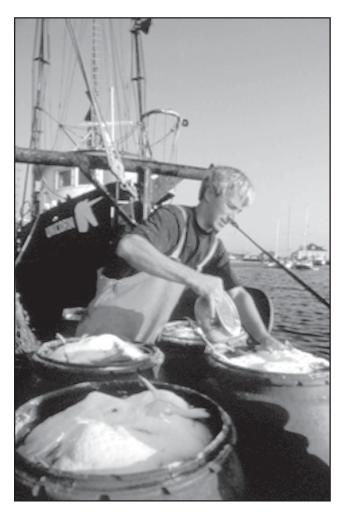


Whale watch boat, Gloucester Harbor



Chatham Fish Pier



Massachusetts' 1,500 miles of coastline are a rich and diverse fabric of natural wonders and economic engines that both improve our quality of life and enrich our economy and draw businesses, tourists, and residents alike. The Coast Alliance recently reported, in State of the Coasts. that coastal industries contribute \$70.7 billion to Massachusetts. Each of the Ports of Massachusetts - Boston, Fall River, Gloucester, New Bedford and Salem - offers its own specialties and capabilities. Lying off Cape Cod are Martha's Vineyard, Nantucket, and the Elizabeth Island group. Martha's Vineyard, triangular in shape, is about 19 miles long and less than 10 miles in width.

Fisherman at Menemsha, Martha's Vineyard

Financial Section

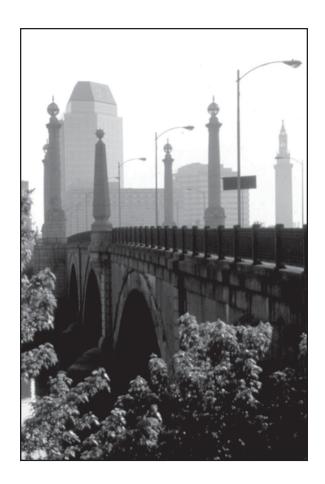


Independent Auditors' Report

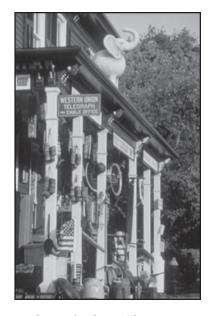
General Purpose Financial Statements

Notes to General Purpose Financial Statements

Combining and Individual Fund Statements and Account Group Schedules



City of Springfield



White Elephant Shop, Essex

Massachusetts, according to the 2000 United States census, has a population of 6,349,097.

It has a gross area of 8,257 square miles and a net land area of 7,838, and ranks 13th in population and 45th in area among the states of the nation. It is divided into 14 counties, varying in size and population from Nantucket (area 50.34 sq. mi., pop. 9,520) to Middlesex (area 844.21 sq. mi., pop. 1,465,396).



Berkshire countryside



Newbury Street, Boston